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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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## ANNUAL AUDITED REPORT

FORM X-17A-5

FEB 27 2008

PART III

Washington, DC

SEC FILE NUMBER

8-29084

FACING PAGE

110

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

## A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: STATESIDE SECURITIES, LLC

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

2002 SUMMIT BLVD. SUITE 1000

(No. and Street)

ATLANTA

(City)

GA

(State)

30319

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

RICHARD L. BEACHAM404-250-4190

(Area Code - Telephone Number)

## B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

THE NOBLE TEAM

(Name - if individual, state last, first, middle name)

105 W. MAIN STREET

(Address)

CARTERSVILLE

(City)

GA

(State)

30120

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 19 2008

THOMSON  
FINANCIAL

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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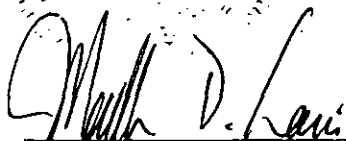
## OATH OR AFFIRMATION

I, RICHARD L. BEACHAM, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of STATESIDE SECURITIES, LLC, as of DECEMBER 31, 20 07, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

  
Signature

PRESIDENT

Title

  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LET YOUR BUSINESS FLY!

# The Noble Team

CERTIFIED PUBLIC ACCOUNTANTS

To the Members  
Stateside Securities, LLC  
Atlanta, Georgia

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Balance Sheet of Stateside Securities, LLC as of December 31, 2007, and the related statements of income, member's equity and cash flows for the year then ended, that you are filing according to rule 17a-5 under Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Stateside Securities, LLC as of December 31, 2007, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying Schedules I, II and III is presented for purposes of additional analysis and is not required as part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities Exchange Act of 1934. Such information has been subject to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



The Noble Team  
Chad Masri  
Certified Public Accountant  
February 25, 2008

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105 West Main Street  
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MEMBER:  
AICPA  
Georgia Society CPA's

**STATESIDE SECURITIES, LLC**  
**BALANCE SHEET**  
**December 31, 2007**

**ASSETS**

Current Assets:

Cash and Cash Equivalents \$ 117,339

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Total Current Assets 117,339

**PROPERTY AND EQUIPMENT**

Property and Equipment, Net of Accumulated  
Depreciation of \$441 1,963

**OTHER ASSETS**

Prepaid Expenses 4,304

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Total Other Assets 4,304

**TOTAL ASSETS** \$ 123,606

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts Payable \$ 8,333

Accrued Expenses 4,057

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Total Current and Total Liabilities 12,390

**MEMBERS' EQUITY** 111,216

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**TOTAL LIABILITIES AND MEMBER'S EQUITY** \$ 123,606

The accompanying notes are an integral part of these financial statements

**STATESIDE SECURITIES, LLC**  
**STATEMENT OF INCOME**  
**December 31, 2007**

Revenues:

Commissions (Note 2)	\$ 909,636
Syndicate Fees (Note 2)	273,702
Other Income	35,000

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Total Income	1,218,338
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Expenses:

Administration (Note 6)	42,000
Legal and Professional	38,315
Consulting	41,833
Employee Compensation and Benefits	1,184,686
Occupancy	51,778
Advertising	34,726
Other Operating Expenses	54,184

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Total Expenses	1,447,522
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Net Income (Loss)	\$ <u>(229,184)</u>
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The accompanying notes are an integral part of these financial statements

**STATESIDE SECURITIES, LLC**  
**STATEMENT OF MEMBERS' EQUITY**  
**December 31, 2007**

Members' Equity at January 1, 2007	\$	90,400
Capital Contribution		250,000
Net Income (Loss)		(229,184)
		<hr/>
Members' Equity at December 31, 2007	\$	<u>111,216</u>

The accompanying notes are an integral part of these financial statements

**STATESIDE SECURITIES, LLC**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income (loss) \$ (229,184)

Adjustments to reconcile net loss to net cash used by operations:

Depreciation 440

Decrease in Payables (10,986)

Decrease in Accrued Expenses (4,522)

NET CASH PROVIDED BY OPERATING ACTIVITIES (15,068)

**CASH FLOWS USED BY INVESTING ACTIVITIES**

Purchase of Equipment (2,404)

NET CASH USED BY INVESTING ACTIVITIES (2,404)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Members' contribution of capital 250,000

NET CASH PROVIDED BY FINANCING ACTIVITIES 250,000

**NET INCREASE IN CASH 3,344**

CASH AT BEGINNING OF YEAR 113,995

**CASH AT END OF YEAR \$ 117,339**

The accompanying notes are an integral part of these financial statements

**STATESIDE SECURITIES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1- GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Nature of Business:**

Stateside Securities, LLC (the Company) was formed in Georgia and is approved as a securities broker by the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), and various states.

The firm is a limited liability company whose sole member is Stateside Holdings, LLC.

**B. Revenue Recognition:**

Securities transactions are recorded on a settlement date basis with related commission income and expense also recorded on a settlement date basis.

**C. Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**D. Property and Equipment:**

Property and equipment is stated at cost. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets, which are generally three to seven years.

**E. Cash Equivalents:**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash or cash equivalents.

**F. Accounts Receivable:**

There are no accounts receivable as of December 31, 2007.



**STATESIDE SECURITIES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 1- GENERAL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-**  
**(CONTINUED):**

**G. Concentrations of Credit Risks:**

The Company is engaged in various brokerage activities in which counter parties primarily include broker-dealers, banks and other financial institutions. In the event counter parties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counter party or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each party.

The Company uses financial institutions in which it maintains cash balances, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and management believes it is not exposed to any significant risk on cash.

**NOTE 2- REVENUE:**

During 2007, the company's generated commission and syndicate revenue were from the sale of state tax credit funds syndicated by Stateside Capital, LLC.

**NOTE 3- INCOME TAXES:**

The Company was formed as a limited liability company and has elected to be treated as a partnership for federal tax purposes, which provides that in lieu of corporate taxes, the members are taxed on the Company's taxable income. Therefore, no provision or liability for federal income taxes is included in these financial statements. The state of Georgia has similar regulations.

**NOTE 4- PROPERTY AND EQUIPMENT:**

At December 31, 2007 property and equipment was comprised of the following:

Furniture and Fixtures	\$	2,404
Less: Accumulated Deprecation		<u>(441)</u>
Total Property and Equipment	\$	<u>1,963</u>

**STATESIDE SECURITIES, LLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2007**

**NOTE 5- OPERATING LEASE COMMITMENTS:**

The Company leases office space in Atlanta under a month-to-month operating lease. The lease contains provisions that allow either party to terminate the lease by giving the other party a 90 days written notice; it also allows for periodic fixed increases in rent. Rent expense is recognized on the straight-line basis over the life of the lease.

**NOTE 6- RELATED PARTY TRANSACTIONS:**

The Company pays an administrative fee to another company related through common ownership with Stateside Securities, LLC. The administrative fee is for certain administrative services, accounting, human resources, information technology, strategic planning and corporate structure consulting. The administrative fee incurred was \$42,000 during the year end December 31, 2007.

In addition, the funds sold by Stateside Securities, LLC are formed by another related party.

**NOTE 7- LOSS CONTINGENCY:**

Companies in the financial industry are subject to customer complaints and litigation in the normal course of business. As of the audit report date, there are no related pending litigation or loss contingencies.

**NOTE 8- NET CAPITAL REQUIREMENTS:**

The Company is subject to the uniform net capital rule (SEC Rule 15c3-1) of the Securities and Exchange Commission, which requires both the maintenance of minimum net capital and the maintenance of maximum ratio of aggregate indebtedness to net capital. At December 31, 2007, the Company had a net capital of \$104,949 which is \$99,949 in excess of the minimum \$5,000 required, and its ratio of aggregate indebtedness to net capital was 0.12 to 1, which is less than the 15 to 1 percent maximum of a broker dealer.

**NOTE 9- SUBSEQUENT EVENTS:**

There are no reportable subsequent events.

**Supplementary Information**

**STATESIDE SECURITIES, LLC**  
**SCHEDULE I - STATEMENT OF NET CAPITAL**  
**For the Year Ended December 31, 2007**

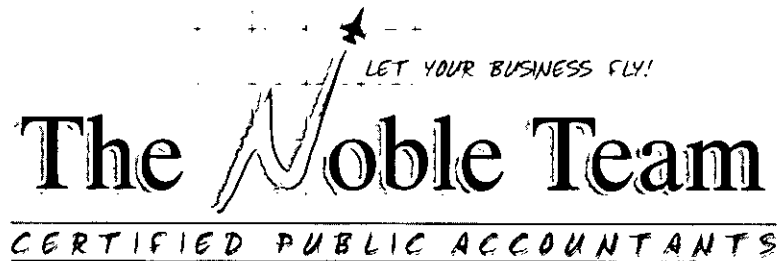
There are no changes to the net capital calculation reported on the original December 31, 2007 Focus Report.

**STATESIDE SECURITIES, LLC**  
**SCH II – STATEMENT OF RESERVE REQUIREMENTS**  
**Under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2007**

The Company is exempt from the reserve requirement of Rule 15c3-3.

**STATESIDE SECURITIES, LLC**  
**SCH III – INFORMATION RELATING TO POSSESSION OR CONTROL**  
**Requirements under Rule 15c3-3 of the Securities and Exchange Commission**  
**December 31, 2007**

The Company is exempt from the Rule 15c3-3 as it relates to possession and control requirements.



## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE REQUIRED BY SEC RULE 17a-5

To the Members  
Stateside Securities, LLC  
Atlanta, Georgia

In planning and performing our audit of the financial statements and supplemental schedules of Stateside Securities, LLC (the Company) for the year ended December 31, 2007, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Also, as required by rule 17a-5(g)(1) of the securities Exchange Commission (SEC), we have made a study of the practices and procedures followed by Stateside Securities, LLC including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g)(1) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exceptive provisions of rule 15c3-3. Because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making the quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control structure and the practice and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above mentioned objectives. Two of the objectives of the internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

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Because of inherent limitations in any internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control, including control activities for safeguarding securities, that we consider to be a material weakness as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2006 to meet the SEC's objectives.

This report is intended solely for the information and use of management, the SEC, and other regulatory agencies which rely on Rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.



**The Noble Team**  
Chad Masri  
Certified Public Accountants  
February 25, 2008

**END**